

Montana

Small businesses totaled 109,657 in Montana in 2009. They represent 97.5 percent of all employers and employ 68.2 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Montana's health and well-being.

This profile uses the latest available data to illustrate the status of Montana's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Montana's economy was mixed in 2010, with real gross state product increasing 0.2 percent and private-sector employment decreasing 0.8 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Montana's small businesses are very small as 71.3 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 232,640 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Montana represented 73.9 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Montana surged over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was higher than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Montana Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	30,882	31,789	27,361
Large employers (500+ employees)	788	781	635
Nonemployers	78,775	81,999	70,243
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	53	137	22,672
Woman-owned	28	28	2,879
Equally male/female-owned	29	41	5,109
African American-owned	0	0	20
Asian-owned	1	2	130
Hispanic-owned	1	2	139
Native American/Alaskan-owned	2	--	--
Hawaiian/Pacific Islander-owned	--	--	--
Veteran-owned	20	31	4,913
Publicly held, unclassified	5	137	36,278
	Level in 2010*	% Change from	
		2009	2000
Workforce (Thousands)			
Private-sector employment	338	-0.8	9.9
Government employment	91	1.4	8.2
Self-employed (incorp. & uninc.)	87	13.7	12.9
Female self-employment	26	-5.6	-9.4
Male self-employment	60	24.9	26.5
Minority self-employment	3	-40.3	37.6
Veteran self-employment	13	91.6	36.7
Unemployment Rate (Percent)	7.2	0.9†	2.4†
Business Turnover			
Quarterly establishment openings	8,391	1.2	5.0
Quarterly establishment closings	8,373	-9.4	15.7
Business bankruptcies	162	8.0	14.9
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	3.3	2.8	2.5
Number of bank branches	392	389	344
No. of bus. loans under \$100,000‡	18,238	24,354	10,539
Total value of business loans under \$100,000 (\$million)‡	282	313	165

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.

* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Montana by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	78.8	31.7	28.3	30.9	341.4	105.0	232.6
Forestry, etc. and agriculture support	2.7	0.4	0.4	0.4	1.1	0.7	1.1
Mining	0.6	0.3	0.2	0.3	6.0	0.8	2.6
Utilities	0.1	0.1	0.0	0.1	2.9	0.2	1.0
Construction	12.4	5.4	5.2	5.4	22.6	13.7	21.4
Manufacturing	1.9	1.2	1.0	1.1	17.2	4.4	11.5
Wholesale trade	1.1	1.2	0.8	1.0	14.0	3.4	9.9
Retail trade	8.0	3.9	3.3	3.7	57.0	15.7	30.9
Transportation and warehousing	2.7	1.1	1.0	1.1	11.0	3.0	7.0
Information	0.9	0.4	0.3	0.3	9.4	1.3	4.9
Finance and insurance	2.2	1.3	1.1	1.2	18.2	3.4	8.8
Real estate and rental and leasing	7.8	1.6	1.5	1.6	5.9	3.3	4.8
Professional, scientific, and technical svcs.	10.1	3.4	3.1	3.3	17.2	9.5	15.1
Management of companies and enterprises	--	0.1	0.0	0.1	2.6	D	0.9
Admin., support, waste mgt., remed. svcs.	4.9	1.6	1.4	1.5	19.0	4.5	10.0
Educational services	1.5	0.3	0.3	0.3	5.2	1.1	4.9
Health care and social assistance	5.5	2.8	2.5	2.8	61.8	11.1	36.3
Arts, entertainment, and recreation	4.3	1.0	0.9	1.0	10.1	3.7	8.9
Accommodation and food services	1.3	3.0	2.4	3.0	45.0	14.5	38.2
Other services (except public admin.)	11.0	2.9	2.7	2.9	15.0	10.6	14.4
Unclassified	--	0.0	0.0	0.0	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2005-2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm					
		1-4	5-9	10-19	20-99	100-499	<500 500+
2005 - 2006	14,863	6,334	1,557	821	1,885	426	11,023 3,840
2006 - 2007	9,983	6,222	754	290	101	-49	7,318 2,665
2007 - 2008	5,897	4,451	-902	-1,217	-131	2,176	4,377 1,520
2008 - 2009	-18,342	922	-2,660	-3,899	-5,195	-4,278	-15,110 -3,232

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	1.9	2.0	1.9	2.5	5.3	5.9	5.5	6.1
Expansions	6.8	7.1	7.2	7.2	20.6	20.9	21.6	21.6
Contractions	7.5	7.4	7.2	7.4	21.5	20.9	19.9	22.0
Closings	2.5	1.9	1.9	2.1	6.2	5.6	4.9	5.5

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.

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The White House

Office of the Press Secretary

For Immediate Release

January 18, 2011

Presidential Memoranda - Regulatory Flexibility, Small Business, and Job Creation

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Regulatory Flexibility, Small Business, and Job Creation

Small businesses play an essential role in the American economy; they help to fuel productivity, economic growth, and job creation. More than half of all Americans working in the private sector either are employed by a small business or own one. During a recent 15-year period, small businesses created more than 60 percent of all new jobs in the Nation.

Although small businesses and new companies provide the foundations for economic growth and job creation, they have faced severe challenges as a result of the recession. One consequence has been the loss of significant numbers of jobs.

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601-612, establishes a deep national commitment to achieving statutory goals without imposing unnecessary burdens on the public. The RFA emphasizes the importance of recognizing "differences in the scale and resources of regulated entities" and of considering "alternative regulatory approaches . . . which minimize the significant economic impact of rules on small businesses, small organizations, and small governmental jurisdictions." 5 U.S.C. 601 note.

To promote its central goals, the RFA imposes a series of requirements designed to ensure that agencies produce regulatory flexibility analyses that give careful consideration to the effects of their regulations on small businesses and explore significant alternatives in order to minimize any significant economic impact on small businesses. Among other things, the RFA requires that when an agency proposing a rule with such impact is required to provide notice of the proposed rule, it must also produce an initial regulatory flexibility analysis that includes discussion of significant alternatives. Significant alternatives include the use of performance rather than design standards; simplification of compliance and reporting requirements for small businesses; establishment of different timetables that take into account the resources of small businesses; and exemption from coverage for small businesses.

Consistent with the goal of open government, the RFA also encourages public participation in and transparency about the rulemaking process. Among other things, the statute requires

agencies proposing rules with a significant economic impact on small businesses to provide an opportunity for public comment on any required initial regulatory flexibility analysis, and generally requires agencies promulgating final rules with such significant economic impact to respond, in a final regulatory flexibility analysis, to comments filed by the Chief Counsel for Advocacy of the Small Business Administration.

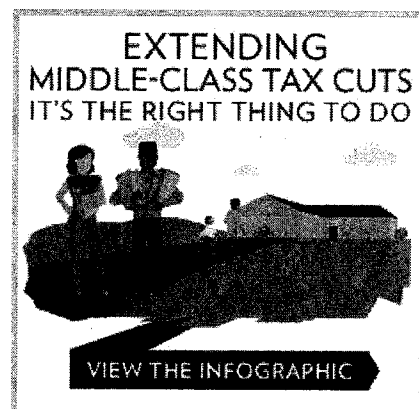
My Administration is firmly committed to eliminating excessive and unjustified burdens on small businesses, and to ensuring that regulations are designed with careful consideration of their effects, including their cumulative effects, on small businesses. Executive Order 12866 of September 30, 1993, as amended, states, "Each agency shall tailor its regulations to impose the least burden on society, including individuals, businesses of differing sizes, and other entities (including small communities and governmental entities), consistent with obtaining the regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations."

In the current economic environment, it is especially important for agencies to design regulations in a cost-effective manner consistent with the goals of promoting economic growth, innovation, competitiveness, and job creation.

Accordingly, I hereby direct executive departments and agencies and request independent agencies, when initiating rulemaking that will have a significant economic impact on a substantial number of small entities, to

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January 21, 2013 2:27 PM EST

The Second Inauguration of Barack Obama



Read the official transcript or watch the video of President Obama's Second Inaugural Address.

January 21, 2013 3:26 PM EST

Be a Part of the Next Four Years

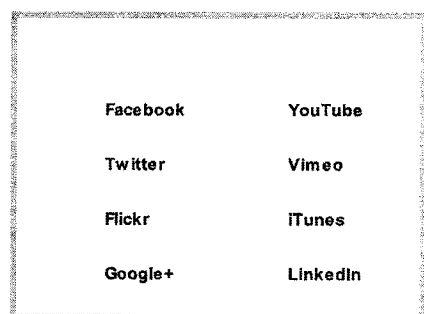
The President's second term will offer many ways for citizens to participate in conversations with the President and his team about the issues that are most important to them.

January 21, 2013 10:23 AM EST

These Four Historians Have Some Thoughts About Today's Inauguration

Doris Kearns Goodwin, Robert Caro, Michael Beschloss, and Douglass Brinkley have written more than a dozen books about American presidents, and they have some thoughts about the 2013 Inauguration.

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give serious consideration to whether and how it is appropriate, consistent with law and regulatory objectives, to reduce regulatory burdens on small businesses, through increased flexibility. As the RFA recognizes, such flexibility may take many forms, including:

- extended compliance dates that take into account the resources available to small entities;
- performance standards rather than design standards;
- simplification of reporting and compliance requirements (as, for example, through streamlined forms and electronic filing options);
- different requirements for large and small firms; and
- partial or total exemptions.

I further direct that whenever an executive agency chooses, for reasons other than legal limitations, not to provide such flexibility in a proposed or final rule that is likely to have a significant economic impact on a substantial number of small entities, it should explicitly justify its decision not to do so in the explanation that accompanies that proposed or final rule.

Adherence to these requirements is designed to ensure that regulatory actions do not place unjustified economic burdens on small business owners and other small entities. If regulations are preceded by careful analysis, and subjected to public

comment, they are less likely to be based on intuition and guesswork and more likely to be justified in light of a clear understanding of the likely consequences of alternative courses of action. With that understanding, agencies will be in a better position to protect the public while avoiding excessive costs and paperwork.

This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person. Nothing in this memorandum shall be construed to impair or otherwise affect the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

The Director of the Office of Management and Budget is authorized and directed to publish this memorandum in the *Federal Register*.

BARACK OBAMA

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